



# A New Study on Women and Medicare

The United States has the greatest percentage of elderly women in poverty of all the major industrialized nations.

- Women, on average, can expect to live 19 years into retirement while men can expect to live 15 years.
- In 1995, women comprised only 58% of the total population 65 and older but comprised 74% of the poor in this group.
- A widowed woman is four times more likely, and single or divorced woman five times more likely, to live in poverty after retirement than a married woman.
- Of all unmarried women age 65 and older, 40% rely on Social Security for 90% or more of their household income. Twenty-five percent rely on Social Security for 100% of their income.
- The median personal income of women 65 and older in 1996 was less than 3/5 of the personal income of older men: \$9,328 vs. \$16,213.
- Only 39% of all working women and fewer than 17% of part-time working women are covered by a pension plan. Almost 12 million women work for small firms that do not offer pension plans.
- Two-thirds of working women are employed in sectors of the economy that have the lowest pension coverage rate, including the service and retail sectors.
- Workers covered by union agreements are nearly twice as likely to have a pension. Women, however, are half as likely to be in these jobs.
- Fewer than one-fourth of divorced women age 62 and older receive any employer-sponsored pension income, whether from their own or their ex-husband's past work.
- Women 65 and older are nearly twice as likely to die of heart disease than of all cancers combined.
- Each year an estimated 77% of all women newly diagnosed with breast cancer are over age 50.

– Source: National Council of Women's Organizations, Washington DC

## New Study on Women and Medicare

In the debate over maintaining the solvency of the Medicare program, many plans are being considered. While proposed adjustments to the funding mechanism or the benefits are vigorously supported by some and criticized by others, raising the eligibility age for the program is one cost-saving measure that is frequently put forth. Accepted as a painless “quick-fix” for Social Security in 1983, the gradual increase in the eligibility age for Medicare now is offered as a logical and fair response to rising life expectancy. However, this solution ignores the serious cost such a change may have for particular sub-groups of the population. Hardest hit would be those reaching 65 (and Medicare eligibility) who would not have access to any other form of health care coverage.

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To inform the policy debate over the wisdom and fairness to women of raising the age of eligibility for Medicare, the National Center on Women and Aging used the comprehensive data available in the Mature Woman Cohort of the National Longitudinal Surveys of Labor Market Experience 1967 - 1997\* to analyze how midlife and older women – primarily those between the ages of 55 and 64 – gain access to health insurance. They then estimated the effect of raising the eligibility age for Medicare on such women.

## **Study Highlights**

***Older women who lack insurance prior to Medicare eligibility are especially vulnerable.*** A significant number of midlife and older women lack health care coverage. In 1992, almost 900,000 women 55 to 64 years of age lacked coverage – nine percent of the women in this age group. A majority of these uninsured women are 60 to 64 years of age, and three-quarters (75%) report household incomes below \$20,000/year. Compared to women of this age who do have health care coverage, those without tend to be members of a racial or ethnic minority, not married, less educated, less healthy, and/or are less likely to be employed.

***Prior to Medicare eligibility, a number of women rely on marriage or employment for health care coverage.*** Coverage through a job policy is the most common source of health care coverage for women 55 to 64, with roughly one-third (36%) reporting coverage through their husband's employer. While being married increases a woman's chance of having health care coverage, those married to older men become susceptible to a loss of coverage: among married women 55 to 64 without health insurance, three in five report that their spouse is fully or partially retired.

***The availability of Medicare at 65 enables a number of women to gain or maintain insurance coverage.*** Over three in ten women (31%) age 65 and older reported having insurance coverage through Medicare. These older women are half as likely as their younger counterparts to have coverage through an employer: 40 percent of women 55 to 64 are covered through their own employer, compared to 18 percent of older women; 38 percent of women 55 to 64 are covered through their husband's employer compared to 20 percent of older women.

***Increasing the age of Medicare eligibility will deny coverage to these women, jeopardizing their access to care.*** There are few reasons to anticipate significant changes in current marital, employment, or income status trends among midlife and older women that would improve their opportunities to access health insurance coverage. Indeed, higher costs of commercial coverage, higher divorce rates, and lower workforce participation rates lead to more limited access. Data shows that among the roughly 880,000 women aged 65 to 67 entering into Medicare from 1992 to 1995:

- 70% had a high school education or less
- 83% were not working
- 20% were widows; 10% were divorced or separated
- Annual income averaged \$30,650

***Rather than raise the age of eligibility and increase the number of uninsured older women, policymakers need to consider ways to reduce this number.*** The availability of Medicare is most critical for women who had no health insurance coverage prior to eligibility and who tend to be less educated, not married, have low incomes, and be a member of an ethnic or racial minority. A recent Commonwealth Fund report cited popular support for allowing uninsured adults who are near the age of Medicare eligibility to “buy into” the program before age 65; nearly seven in ten survey respondents ages 50 to 70 said they would favor allowing uninsured adults in the 50 to 64 year old age range to buy in to Medicare.

***As the population ages, as traditional family patterns decline, as fewer men and women work after age 65, and as the cost of health care and commercial coverage rapidly escalates, Medicare will be increasingly important to older women.*** Prior studies suggest that many “life transitions” that occur at this age help contribute to the importance of Medicare as the primary source of health care coverage for women who are age 65 and older. The study confirms that an expanding number of midlife and older women rely on Medicare, and that raising the age of eligibility will leave many of these women without health care coverage.